



Fiscal 2019 Business Report

(From April 1, 2018 to March 31, 2019)



"Summer Sky Fireworks" at Phoenix Seagaia Resort

HEADLINES

▶ Consolidated Business Highlights

Net sales
¥331.6 billion

Up
2%
year on year

Operating income
¥13.0 billion

Down
27%
year on year

Operating income margin

3.9%

Down
1.6 pts.
year on year

ROA*

0.6%

Down
1.2 pts.
year on year

▶ Results by Business Segment

*ROA = Profit attributable to owners of parent ÷ Total assets

Pachislot and
Pachinko Machines Business

Net sales
¥101.4 billion
Down 4% year on year

Operating income
¥13.4 billion
Up 13% year on year

Entertainment Contents Business

Net sales
¥219.6 billion
Up 6% year on year

Operating income
¥9.8 billion
Down 34% year on year

Resort Business

Net sales
¥10.5 billion
Up 6% year on year

Operating loss
¥2.4 billion
— year on year

▶ Topics

Launched *Pachislot* *SOUTEN-NO-KEN PONYOU*



Pachislot SOUTEN-NO-KEN PONYOU
©Tetsuo Hara & Buronson/NSP 2001,
Approved No.YRB-320 ©Sammy

Sammy's second No. 6 model machine, *Pachislot SOUTEN-NO-KEN PONYOU*, has arrived in pachinko halls. For the first time, this series is using a ZEEG machine cabinet, featuring an exterior design that adds even more excitement to the world of *SOUTEN-NO-KEN*. As well as fully resurrecting the legendary *BATTLE BONUS* feature—which the previous No. 5.9 model machines were unable to do—this offering incorporates new visual effects and a host of other novel elements. Please try this new model.



Football Manager *2019* Arrives

November 2, 2018, saw the latest installment in our football management simulation game series, which has been meeting fans' expectations every year since debuting in 2005. Our latest game is the first title with an official license from the Bundesliga, Germany's premier football league.

FOOTBALL™ MANAGER 2019

Football Manager 2019

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Rieko Kodama of SEGA Games Received *Pioneer Award*

In March, at the Game Developers Choice Awards 2019 in the U.S. city of San Francisco, Rieko Kodama of SEGA Games Co., Ltd., received the Pioneer Award. Ms. Kodama is the third Japanese game developer to win this award and the first woman to do so. The award recognizes her trailblazing role among female game developers as well as a long and impressive record in game development.

Main Titles Developed by Rieko Kodama

- *PHANTASY STAR* series
- *Sonic the Hedgehog*
- *Eternal Arcadia*, etc.



*Phantasy Star IV:
The End of the Millennium*
©SEGA



Eternal Arcadia
©SEGA

WONDERBOX Holds Grand Opening



In *PARADISE CITY*, South Korea's first integrated resort, we have unveiled *WONDERBOX*, an indoor family entertainment park. It is based on the concept of a night-time fun fair, where visitors enjoy dynamic attractions and fantastic performances.



WONDERBOX

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TO OUR SHAREHOLDERS



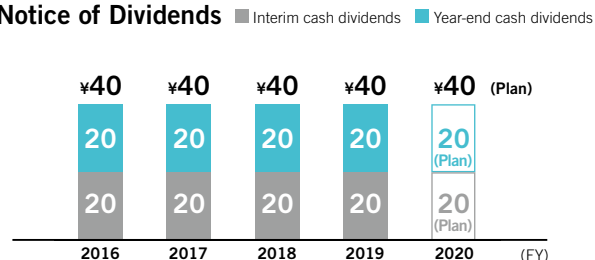
Hajime Satomi

Chairman and Group CEO (Representative Director)
SEGA SAMMY HOLDINGS INC.

In pursuing sustained growth of corporate value, the SEGA SAMMY Group (the Group) has taken a medium-to-long-term management perspective. Accordingly, in fiscal year 2018 we established Road to 2020, which shows the direction the Group should follow, and we have been moving forward based on it since then. Unfortunately, however, we were unable to reach targets in the second year of Road to 2020, fiscal year 2019. Although reaching the final fiscal year's targets has also become challenging, we will identify issues and take firm steps to tackle strategic issues.

Further, Japan is accelerating initiatives in which integrated resorts are being viewed as a driver of the country's evolution into a major travel destination. In the current fiscal year, the ordinances of the Act on the Establishment of Specified Integrated Resort Areas, enacted in 2018, are being enforced in stages. Aiming to make integrated resorts a mainstay of its growth going forward, the Group is steadily advancing a range

Notice of Dividends



At a meeting of the Board of Directors held on May 10, 2019, the Board decided to pay dividends for fiscal 2019, as shown below.

Year-end cash dividends: ¥20.00 per share

Interim cash dividends: ¥20.00 per share (Plan)

Full-year cash dividends: ¥40.00 per share (Plan)

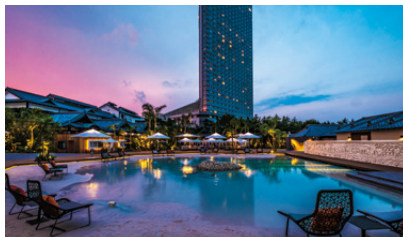
Effective date (Payment start date): June 3, 2019

of preparations with a view to participation in the integrated resort business. Our basic strategy is to invest in growth while continuing to provide shareholders with stable dividends.

The Group will earn the trust of many different types of stakeholders by continuing to strengthen corporate governance and ensuring rigorous compliance. At the same time, the Group will continue to create unique *moving experiences* to help realize a happy and rich society. Based on this management stance, we will forge ahead with the long-term, sustained enhancement of corporate value while helping to realize the Sustainable Development Goals (SDGs).

As we develop, I would like to ask our shareholders and other stakeholders for their continued support.

Preparation for Entry into Japan's Integrated Resort Business



Acquired all shares of **PHOENIX RESORT CO., LTD.**

Acquired Nevada State Gaming Machine Manufacture and Distribution License

Meeting the world's most rigorous licensing standards and eligibility criteria is a major strategic advance that also demonstrates the Group's capability to engage in the integrated resort business in Japan.

Launched Research on Addiction Countermeasures with Kyoto University

We began joint research with Kyoto University's Kokoro Research Center on the onset mechanism of gambling addiction. We aim to establish a system that detects players exhibiting early signs of addiction and then prevents escalation.



March

2012

May

Established joint venture **PARADISE SEGASAMMY Co., Ltd.**, with the **PARADISE GROUP**

2014

November

Began building **PARADISE CITY**, South Korea's first integrated resort

April

Began sending employees to **PARADISE SEGASAMMY Co., Ltd.**

Number of participants in the Incheon project

57

(As of March 31, 2019)

December

2017

April



Opened **PARADISE CITY**

In addition to the aim of becoming the premier integrated resort facility in Northeast Asia through the provision of a high-quality atmosphere and services, we are promoting the accumulation of development and management know-how with the intention of entering the integrated resort business in Japan.

2019~

Taking on the challenge

of entering Japan's integrated resort business



FISCAL 2019 REPORT FROM THE COO



Haruki Satomi

President and Group COO (Representative Director)
SEGA SAMMY HOLDINGS INC.

Since fiscal year 2018, the SEGA SAMMY Group (the Group) has been advancing initiatives under Road to 2020 (▶ Pages 7–8), which ends in fiscal year 2020. I regret to report that in its second fiscal year we fell far short of targets, with revenues rising and earnings declining year over year.

In the Pachislot and Pachinko Machines Business, with respect to pachislot machines, the business segment began introducing No. 6 model machines and machine cabinets built by ZEEG Co. Ltd. as well as selling No. 5.9 model machines. In prototype testing, however, we acquired fewer approvals than expected, leading to a decline in title numbers and unit sales. Meanwhile, we achieved solid results for pachinko machines by focusing on the sale of machines which conformed to previous regulations. Nonetheless, the Pachislot and Pachinko Machines Business as a whole recorded a 4% decrease in revenues. However, as a result of measures to improve various types of profitability, which we have set out as key measures

under the Road to 2020 initiative, earnings have risen 13%.

In the digital games area of the Entertainment Contents Business, although we marketed multiple new titles, results were below initial projections. This was attributable to such factors as new titles not being as well received as hoped for, postponements, and cancellations in the development of new titles. On the other hand, we performed steadily in the packaged games area. Viewing the penetration of the current generation of platforms and the expansion of the PC game market as business opportunities, we rolled out multiple new titles. In addition, repeat sales of existing titles were favorable overseas. As for the amusement machine sales area, we grew revenues through sales of new amusement machines and prize game machines, but still, losses accompanying the suspension of the operations of certain titles and relocation expenses associated with the relocation of headquarters resulted in a significant decrease in earnings. The amusement center operations area performed solidly, with existing domestic amusement centers posting higher sales year over year and the animation and toy sales area achieved firm results due to such factors as the release of the latest installment in the *Detective Conan* movie theater animation series. As a result of the aforementioned factors, the Entertainment Contents Business grew revenues 6%, however, its earnings were down 34%, which mainly reflected the losses recognized in the digital games area.

In the Resort Business, *Phoenix Seagaia Resort* increased revenue 6% and reduced losses through steady growth in accommodation usage and a rise in visitor numbers. Meanwhile, successful promotions at South Korea's first integrated resort, *PARADISE CITY*, attracted numerous visitors from Japan.

As a result of the aforementioned factors, net sales rose 2% year over year. Operating income decreased 27% compared with that of the previous fiscal year due to the circumstances of respective businesses and relocation expenses associated with

the relocation of headquarters of ¥4.9 billion. Due to the recognition of impairment loss on certain fixed assets in the digital games area, profit attributable to owners of parent decreased 71% year over year.

In fiscal year 2020, the Pachislot and Pachinko Machines Business is likely to continue experiencing tough regulatory and operating environments. For example, the level of approval acquisition in the prototype testing of pachislot machines remains low. Moreover, the holding of the G20 Summit and other factors are expected to result in voluntary control of pachinko and pachislot machine replacement. However, with our sights set on an increase in replacement demand mainly in the second half of the current fiscal year as the deadline for the removal of machines conforming to the previous regulations approaches, we will market new titles for new-format machines. Further, by continuing reuse measures and other profitability improvement measures, we will work to enhance profitability significantly year over year.

In the Entertainment Contents Business, we will right-size the scale of titles under development and operation to improve profitability in the digital games area. Also, we will reallocate

resources to the packaged games and other areas. At the same time, we will maximize the value of the Group's intellectual property (IP) assets by stepping up IP rollouts across multiple regions, devices, and platforms.

As for the Resort Business, *Phoenix Seagaia Resort* will continue measures aimed at attracting more visitors. In conjunction with these efforts, we will continue acquisition of development and management know-how through *PARADISE CITY* with a view to participation in integrated resorts in Japan.

In light of the aforementioned factors, in fiscal year 2020 we expect net sales of ¥390.0 billion and operating income of ¥27.0 billion. At the outset, Road to 2020 set medium-term performance targets of 15% for the operating income margin and 5% for ROA*. While it will be a challenge, we will make sincere efforts to reach the fiscal year 2020 targets.

By leveraging consolidation of the head office functions of Group companies, the Group will further strengthen its cohesiveness, create collaborative and synergistic benefits among businesses, and reform work styles. These improvements will help us to forge ahead with the creation of *moving experiences* and sustain growth in corporate value.

Performance Forecast

Billions of yen	Year ended March 31, 2019 Results	Year ending March 31, 2020 (Plan) (Figures as of April 26, 2019)	Change
Net sales	331.6	390.0	+18%
Operating income	13.0	27.0	+108%
Operating income margin	3.9%	6.9%	+3.0 pts.
Ordinary income	7.4	23.0	+211%
Profit attributable to owners of parent	2.6	15.0	+477%
ROA*	0.6%	—	—

* ROA = Profit attributable to owners of parent ÷ Total assets

Review

Operating income was below our targets for two consecutive fiscal years, mainly due to the effect of regulatory revisions on the Pachislot and Pachinko Machines Business and insufficient hit titles in the digital games area of the Entertainment Contents Business.

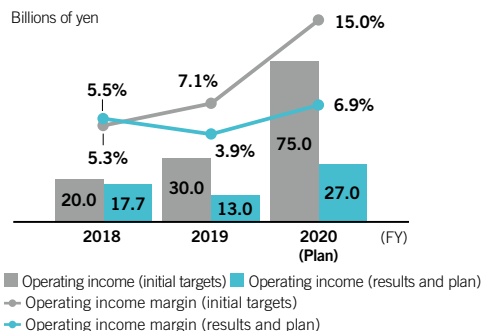
Road to 2020 / Goal (Specific targets)

Company		
Operating income margin: At least 15%	ROA*1: At least 5%	
Pachislot and Pachinko Machines Business	Entertainment Contents Business	Resort Business
Operating income margin At least 30%*2	Sales: At least ¥300.0 billion Operating income: At least ¥30.0 billion Operating income margin: At least 10%	Succeed in IR businesses Enhance brand value

*1 ROA = Profit attributable to owners of parent ÷ Total assets

*2 Operating income margin of the Pachislot and Pachinko Machines Business excluding other and eliminations

Road to 2020 Progress



Pachislot and Pachinko Machines Business

- Due to regulatory revisions, the percentage of approvals acquired in prototype testing decreased. Consequently, the sales market stagnated significantly, and initial targets were not reached.
- Meanwhile, measures to improve the operating income margin progressed steadily.

Entertainment Contents Business

Digital games area

- Results were significantly below initial projections due to such factors as deterioration of the business environment and insufficient hit titles.

Packaged games area

- Results exceeded initial targets thanks to higher than initially expected overseas sales and repeat sales.

Promotion of Work-Style Reform

We are implementing a range of measures to ensure diversity and enhance productivity with the aim of recruiting and developing talented personnel who will support our businesses.

- Consolidation of the Group's head office functions
- Reduction of long overtime work hours
- Introduction of the *Job Plus* (JOB+) side job system
- Implementation of flexitime, telework, etc.

Opening of the SEGA SAMMY Soramori Nursery School

On April 1, 2019, we opened an in-house nursery school, the SEGA SAMMY Soramori Nursery School. The new nursery school will help to facilitate diverse work styles, make it easier for employees who have just completed maternity leave or childcare leave to return to work, and create workplaces where employees who have children can work with vitality.



▶ Approach in Fiscal 2020

We will improve the percentage of approvals acquired in prototype testing in the Pachislot and Pachinko Machines Business, develop pachislot machines that reflect market trends, rightsize the scale of titles under development and operation in the digital games area, and reallocate resources to promising areas.

▶ Pachislot and Pachinko Machines Business

Market environment

- Increase in demand accompanying the removal of machines conforming to the previous regulations due to the expiration of certification
- Voluntary control of replacement due to G20 Summit, etc.

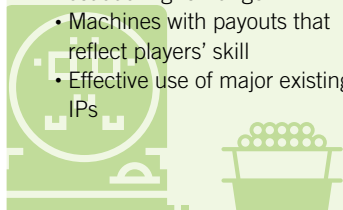
Objectives going forward

Improve approval ratio

- Submit multiple specifications for both pachislot and pachinko machines

Develop pachislot machines reflecting market trends

- Machines with the number of obtainable medals per game set at a higher range
- Machines with payouts that reflect players' skill
- Effective use of major existing IPs



▶ Entertainment Contents Business

Market environment

- Overseas packaged games market and digital games for video game consoles and PCs market expanding
- Domestic market stagnating

Reconsider focus area

At time of Road to 2020 announcement

Domestic mobile and digital



From fiscal 2020 onward

Overseas packaged games and digital games for video game consoles and PCs

Strategy going forward

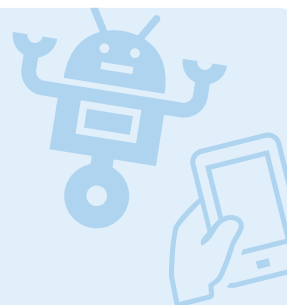
Rightsize the scale of titles under development and operation in the digital games area

- Narrow down the number of new titles under development
- Adjust the number of titles under direct operation
- Line-up centered on existing IP titles

Leverage distinctive characteristics of IPs in rollouts across multiple regions, devices, and platforms

Reallocate resources

- Invest resources in promising areas, such as overseas packaged games
- Proceed with the transfer of out-sourced work on existing titles to insourcing



▶ Resort Business Preparation for Entry into Japan's Integrated Resort Business (▶ Page 4)



Guide to Enhanced Shareholder Benefits

In February 2018, we introduced a shareholder benefits program to thank shareholders for their support and to encourage them to try our services. Recently, we have enhanced the shareholder benefits program in light of feedback received from shareholders since its introduction. For example, in response to shareholders who informed us that there were no amusement arcades with *UFO CATCHER* prize game machines in their neighborhood, we have introduced *SEGA Catcher Online**¹, which can be played via the Internet. Further, shareholders with at least 3,000 shares can now experience even more services. We would like as many shareholders as possible to experience a wider range of our services and to support us going forward.



Voucher usable for *UFO CATCHER* at SEGA amusement arcades in Japan*² or for *SEGA Catcher Online*



Voucher usable at the facilities of *Phoenix Seagaia Resort* (Miyazaki Prefecture, Japan)



Voucher usable for a one-night stay (one room, two adults maximum) at *Sheraton Grande Ocean Resort* in *Phoenix Seagaia Resort* (Miyazaki Prefecture, Japan)*³



Voucher usable for a one-night stay (one room, two adults maximum) at *PARADISE HOTEL & RESORT* in *PARADISE CITY* (Incheon, South Korea)*⁴

Find amusement arcades here

<https://sega.jp/location/>
(in Japanese only)

For details on *SEGA Catcher Online*, please see page 10.

https://seagaia.co.jp/index_en.html

<https://seagaia.co.jp/english/hotel/sgor.html>

<https://www.paradisecity-ir.com/hotel/>
(in Japanese only)

Record dates	Shares held	①	②	③	④
March 31 and September 30 (twice a year)	100–999 shares	¥1,000 (value)	—	—	—
	1,000–2,999 shares	¥1,000 (value)	¥10,000 (value)	—	—
	3,000–4,999 shares	¥1,000 (value)	¥20,000 (value)	—	—
	5,000– shares	¥1,000 (value)	¥20,000 (value)	1 voucher	1 voucher

*1 *SEGA Catcher Online* is a service that enables online control and play of *UFO CATCHER* via smartphones, tablet computers, and PCs. For details on how to play, please see page 10.

*2 Vouchers are only usable at amusement arcades with *UFO CATCHER* prize game machines.

Vouchers are not usable at *TOKYO JOYPOLIS*, *Sannomiya Sanx*, or the game corner in Shinagawa Prince Hotel.

*3 The room type is deluxe twin. Further, the vouchers are not usable during busy periods, such as the Golden Week, Bon, and the New Year holidays.

*4 The room type is deluxe. Further, the vouchers are not usable during local busy periods, such as certain periods in summer and the New Year holidays.

Play Anytime, Anywhere!



セガキャッチャー
— ONLINE —

Try SEGA Catcher Online!

SEGA Catcher Online is an online game service that enables players to operate *UFO CATCHER* remotely via PCs, smartphones, and other devices. *UFO CATCHER* can now be enjoyed by those who want to play the game but do not have amusement arcades nearby.

Here, we explain how to play *SEGA Catcher Online*.



STEP 1

Register

To register as members, PC users visit the website below, while smartphone users download the *SEGA Catcher Online* app. <https://segacatcher.com/login> (in Japanese only)

Download the app here!



STEP 2

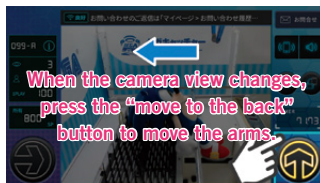
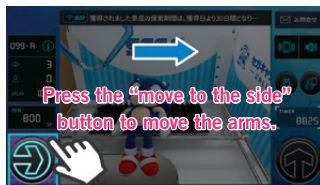
Choose the prize you want from the prize list.



STEP 3

First press the “move to the side” button and then the “move to the back” button.

After pressing the “PLAY START” button, first press the “move to the side” button and then the “move to the back” button. While a button is being pressed, the arms continue to move. Take care because when a button is released the arms stop.



STEP 4

Win a prize! Or try again!

If a prize drops into the outlet, the player wins the prize! If prize delivery has been requested, the prize is delivered to the player's home*. Please begin by requesting delivery at the website's "your account" section.

*Cannot be shipped overseas



If you cannot win a prize, you can try again by pressing the “CONTINUE” button on the bottom right of the screen.



Beginners can practice.



In each era, the SEGA SAMMY Group has provided *moving experiences* that exceed customers' expectations. Episode 5 of our series focuses on the early days of *DISC UP*, which triggered a new trend in the pachinko and pachislot machine industry, and provides insights on the development of the latest title in the series.



2000 Early Days, *DISC UP*

Launched in 2000, *DISC UP* was the first pachislot machine in the industry to incorporate an “assist replay time” function. This enabled players to enjoy normal game stages while increasing the payout, which was an unprecedented type of gameplay. A further feature of the pachislot machine was that the payouts reflected playing skill.

Subsequently, other companies also included the “assist replay time” function in numerous pachislot machines. This led to the creation of the “A+ assist replay time” function, a major pachislot machine category that is a firm favorite among players. In this way, *DISC UP* was not only a hit product but had an important influence on the emergence of this category. Also, it is the title in which Sammy's original *ALIYAN* character appeared for the first time under the name “Uchujin.”



DISC UP
©Sammy

2018 Latest Title, *Pachislot DISC UP*

We released the latest title in the series, *Pachislot DISC UP*, in June 2018. In developing the title, we sought to create a highly appealing game that provides plenty of playing enjoyment even within the format of a No. 5.9 model machine. Payouts that reflected playing skill were a distinctive feature of the first title. We emphasized this element to the utmost, and I think we have created a game that players will find repays good play.

Personnel with a particular interest and expertise in this type of pachislot machine led development. Although time was limited, I was impressed by how much the team members seemed to be enjoying the work.

We hope you will look forward to the future of *DISC UP* as the series continues to evolve!



Pachislot DISC UP
©Sammy



Satoshi Sawada

Chief Producer,
PS Section 2, PS Research &
Development Division,
Research & Development Group Division,
Sammy Corporation



INVESTIGATION 5

SEGA FES 2019: Playing and Getting Acquainted with SEGA!

The third *SEGA FES* was held on March 30–31, 2019. We asked the event organizers how they communicated the appeal of SEGA and encouraged a liking for the brand not only among SEGA fans but also among those less familiar with the brand.

▶ **Making the Event Enjoyable for Everyone**

A goal of *SEGA FES 2019* was to increase the number of SEGA fans. With this in mind, we spent roughly half a year making preparations so that we could offer *moving experiences* to even more people. There were many aspects of the event on which we focused particular attention to get them just right. These included choosing Akihabara so that the location had good access, displaying contents under a different theme on each floor, and placing the SEGA logo in eye-catching positions. We focused particular efforts on *MEGA UFO CATCHER*, installed on the first floor (outside). We gave a lot of thought to making the event fun for a wide range of age groups and ensuring the enjoyment of those playing as well as of those watching.



Merchandise featuring the SEGA logo (left)
MEGA UFO CATCHER (right)

▶ **Creating Affection for the Brand**

As members of the Advertising Department, we normally prepare plans to promote the sale of products. In planning *SEGA FES*, however, our first priority was to express our gratitude to SEGA fans. This element of the event made the work very satisfying.

At the event, we are able to see fans' enthusiasm for our IP firsthand and get feedback from fans. We got an immediate sense of their expectations, which was pleasing.

This kind of feedback strengthens our determination to heighten brand power by continuing to exceed expectations. We will keep taking on ambitious initiatives, such as *SEGA FES*, to create an even greater affection for the SEGA brand.



Kousuke Honma (left)
Toshiaki Tamesue (right)
Event Team, Advertising Department,
Japan / Asia Publishing Business HQ
SEGA Games Co., Ltd.



NEWS

Releasing Mega Drive Mini on September 19, 2019!



We will launch *Mega Drive Mini*, a miniaturized form game terminal that reproduces the *Mega Drive* home video game console released by SEGA in 1988. As well as reproducing the original console's sleek design in a compact form, the terminal will include 42 video games. Players will be able to choose from an extensive menu of famous titles that includes action and shooting games through to puzzles, role-playing games (RPGs), and simulation games.



Mega Drive Mini
©SEGA

23rd Installment of the Detective Conan Series Becomes Another Major Hit!



Jointly produced by TMS ENTERTAINMENT CO., LTD., and five other companies and released on April 12, 2019, the latest installment in the *Detective Conan* Japanese animation for movie theaters, *Detective Conan: The Fist of Blue Sapphire*, has become a major hit, with audience numbers surpassing 5.9 million just 25 days after release. The first movie in the series set overseas, the 23rd installment is a Singapore-based action adventure mystery with three interwoven story lines.



Detective Conan: The Fist of Blue Sapphire
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The Official Video Games of the Olympic Games Tokyo 2020, Starting Summer 2019!



SEGA Holdings and SEGA Group will release its official Olympic Games Tokyo 2020 titles beginning in summer 2019 through 2020.

The development for these titles is in full swing and will bring the joy of the Olympic Games to everyone around the world! Please stay tuned for more news regarding releases in the West.



Title information

- *Olympic Games Tokyo 2020 - The Official Video Game™*
- *Mario & Sonic at the Olympic Games Tokyo 2020™*
- *Mario & Sonic at the Olympic Games Tokyo 2020 - Arcade Edition™*
- *Sonic at the Olympic Games Tokyo 2020™*

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Developing Diversity Initiatives



The SEGA Sammy Group is a rich and diverse global organisation that supports employees from all walks of life regardless of race, gender or sexual identity. Our progressive work environment means there is a place for everyone to feel comfortable and appreciated and we offer diversity training materials to all of our employees. To underline our commitment to diversity, we participated in the Tokyo Rainbow Pride 2019 event, held in April, with many SEGA employees taking part to champion the rights of the LGBT community.



Tokyo Rainbow Pride 2019

GROUP INFORMATION

Company Profile (As of March 31, 2019)

Company Name	SEGA SAMMY HOLDINGS INC.
Address	Sumitomo Fudosan Osaki Garden Tower, 1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo 141-0033, Japan
Established	October 1, 2004
Capital	¥29.9 billion
Number of Employees	7,993 (Consolidated)
Stock Exchange	The First Section of the Tokyo Stock Exchange (Stock Code: 6460)

Directors and Audit & Supervisory Board Members

Hajime Satomi	Chairman and Group CEO (Representative Director)
Haruki Satomi	President and Group COO (Representative Director)
Naoya Tsurumi	Senior Executive Vice President (Director of the Board)
Koichi Fukazawa	Executive Vice President and Group CFO (Director of the Board)
Hideki Okamura	Executive Vice President (Director of the Board)
Takeshi Natsuno	Director of the Board (External)
Kohei Katsukawa	Director of the Board (External)
Hiroshi Onishi	Director of the Board (External)
Shigeru Aoki	Standing Audit & Supervisory Board Member
Yukito Sakaue	Audit & Supervisory Board Member
Tomio Kazashi	Audit & Supervisory Board Member (External)
Mineo Enomoto	Audit & Supervisory Board Member (External)

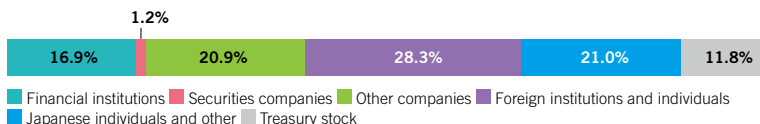
Information on Outstanding Shares (As of March 31, 2019)

Number of Shares Authorized for Issuance	800,000,000 shares
Total Number of Shares Issued and Outstanding	266,229,476 shares
Number of Shareholders	77,599

Principal Shareholders

Name of shareholder	Shares held (Shares)	Shareholding ratio (%)
HS Company	35,308,000	13.26
Company's Tr. Stock	31,493,927	11.82
FSC Co., Ltd.	13,562,840	5.09
The Master Trust Bank of Japan, Ltd. (Trust account)	11,474,000	4.30
Japan Trustee Services Bank, Ltd. (Trust account)	10,244,800	3.84

Breakdown of Shareholders



Shareholder Memo (As of March 31, 2019)

Stock Code	6460
Trading Unit	100 shares
Fiscal Year	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	June
Date of Record for Dividends	March 31 (September 30 for interim periods, if paid) Advance public notice is given when required for other dividend payments.
Method of Public Notice	Electronic public notices
Notification URL	https://www.segasammy.co.jp/japanese/etc/notice If electronic notification is not available due to unavoidable circumstances, the Company will post the notice in the <i>Nihon Keizai Shimbun</i> .
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation
Administrative Office of Transfer Agent	Securities Agent Department, Mitsubishi UFJ Trust and Banking Corporation, 1-1, Nikkocho, Fuchu-shi, Tokyo 183-0044, Japan Phone: +81-3-5683-5111
Agencies	Mitsubishi UFJ Trust and Banking Corporation branches in Japan

The website of Mitsubishi UFJ Trust and Banking Corporation, the Company's transfer agent, provides information on share registration, purchase or additional purchase of shares in fractional lots, and other stock-related procedures. If you use the storage transfer system for share certificates, etc., please contact the securities company that handles the transactions.

Mitsubishi UFJ Trust and Banking Corporation website: <https://www.tr.mufg.jp/daikou/>

IR INFORMATION

As part of its ongoing enrichment of investor engagement, the SEGA SAMMY Group has responded to shareholder feedback by providing a window on its operations through the *Business Report*.

◆ SEGA SAMMY HOLDINGS INC. IR Information Center

For inquiries about questionnaires, share information, corporate information, and other related information, please contact the phone number below. (Our telephone number has changed due to the relocation of our head office.) Please note that the IR Information Center is closed on Saturdays, Sundays, national holidays, and Company holidays.

Phone: **+81-3-6864-2404**

Business hours: Monday through Friday, **9:00 a.m. – 6:00 p.m.**

◆ IR Calendar

Schedule of activities for shareholders and investors:

- July** Announcement of results for the three months ending June 30, 2019
- October** Announcement of results for the six months ending September 30, 2019
- December** Release of *Interim Business Report* for the six months ending September 30, 2019

Cautionary Statement with Respect to Forward-Looking Statements

Statements in this document regarding the plans, estimates, beliefs, management strategies, perceptions, and other aspects of SEGA SAMMY HOLDINGS INC. (“the Company”) and SEGA SAMMY Group companies (“the Group”) are forward-looking statements based on the information currently available to the Company. Forward-looking statements include, but are not limited to, those statements using words such as “believe,” “expect,” “plans,” “strategy,” “prospects,” “forecast,” “estimate,” “project,” “anticipate,” “aim,” “may,” and “might,” and words of similar meaning in connection with a discussion of future operations, financial performance, events, or conditions.

From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management’s assumptions and beliefs in light of the information currently available to management. The Company cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore undue reliance should not be placed on them.

Also, it should not be assumed that the Company has any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. The Company disclaims any such obligation. Actual results may vary significantly from the Company’s forecasts due to various factors. Factors that could influence actual results include, but are not limited to, economic conditions, especially trends in consumer spending, as well as currency exchange rate fluctuations, changes in laws and government systems, pressure from competitors’ pricing and product strategies, declines in the marketability of the Group’s existing and new products, disruptions to production, violations of the Group’s intellectual property rights, rapid advances in technology, and unfavorable verdicts in major litigation.



Investor Relations Online

Through our IR website, we disclose consolidated financial statements, press releases, *Integrated Report 2018*, and other statutory disclosure documents as well as actively provide briefings on management strategies.

<https://www.segasammy.co.jp/english/ir/>



SEGA SAMMY HOLDINGS INC.

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